

LONDON DAILY TELEGRAPH  
2 March 1981

## Pledge to Reagan

By RICHARD BEESTON in New York

MRS THATCHER returned to London yesterday from her visit to the United States after calling for a new defence policy beyond the Atlantic to prevent further Soviet encroachments. She had earlier dis-

cussed with President Reagan the possibility of British units joining an international rapid deployment force for the Persian Gulf.

At a dinner in New York, where Mrs Thatcher delivered a major foreign policy speech before flying home, she received a rare well message from Mr Reagan praising her leadership and asserting that their talks had left him in no doubt of "our joint capacity" to meet any threats to freedom.

In her most successful speech of her three-day visit—at a ceremony when she received the Donovan medal awarded "in the cause of freedom"—the Prime Minister declared: "The interests of the allies do not stop at the boundaries of the alliance."

"There is an urgent need for a new defence policy beyond the North Atlantic. We must prevent Soviet encroachment in regions vital to the interests of the members of the alliance and to the economies of the world. This is true of parts of Africa. It is true of the Gulf."

"I welcome therefore, the new President's determination to tackle this problem without delay. As a loyal ally, Britain will help to the very maximum of her ability."

### Shared outlook

Mrs Thatcher had earlier told reporters that Britain was prepared to provide forces to serve in a multi-national rapid deployment force for the Gulf, if such a group was created. But she said that no decisions on creating such a force had been made.

Mrs Thatcher's New York addresses was given before veterans of the Office of Strategic Services, the forerunner of the CIA.

Welcoming her to the dinner, her host, Mr William Casey, the new head of the CIA, said that not since Winston Churchill had a British Prime Minister so well epitomised "the common heritage and outlook we share."

While Mrs Thatcher took a tough line with the Kremlin, much like Mr Reagan's recent public statements, she also stressed that the West must continue to deal with the Soviet Government and should do so with "realism and consistency."

Commenting on the recent speech by President Brezhnev which proposed a US-Soviet summit, Mrs Thatcher said: "There are many things in it which all of us would utterly reject. But there are also things which need to be explained and explored and turned if possible to the benefit of the world."

"In particular, there are signs of readiness on the part of the Soviet Union to negotiate."

"Like President Reagan I welcome that. In this perilous world negotiations between governments must continue, particularly in the field of arms control, or better still of arms reductions."

While there was a "present

danger" in a world harbouring a super-power with a destructive ideology and an expansionist record, this danger should not be exaggerated, she said.

The Soviet Union had made no advances in Europe since 1945, and recent events in Poland had demonstrated the failure of the Soviet system.

The Soviet Union had been thrown out of Egypt, her relations with China remained hostile, 111 nations had condemned her invasion of Afghanistan. The Soviet system had failed to produce material prosperity, had crushed spiritual satisfaction and, after 63 years of uncontrolled power, was "spiritually and morally bankrupt."

Mrs Thatcher, in her speech went further than before in backing the Reagan Administration's stand on El Salvador.

She described the country as Cuba's "latest target," adding "I fully agree with President Reagan that Cuban interference in, and arms supplies to, that country are totally unacceptable."

Speaking of the capacity of the West to defend itself Mrs Thatcher told an anecdote about a boxer who continually crossed himself in the ring. A spectator asked a priest whether this would bring the contestant the benefit of divine intervention. The priest replied "It depends if he knows how to box." She added: "Both Europe and America know how to box."

She said she believed that the tide was beginning to turn in favour of the West with a "new determination in the Western alliance and a new leadership in America which gives confidence and hope to all in the free world."

### 'They hit it off'

American and British spokesmen said Mrs Thatcher's talks had shown agreement "on all major strategic issues."

The Prime Minister had an unscheduled, farewell meeting with Mr Reagan before returning to Britain and the White House spokesman, Mr James

Brady commented: "It was difficult to pry them away from each other at the end. Their chemistry is right—they hit it off."

"They both know where one another has been and where one another is going. They have stared down the same gun-barrel."

Mrs Thatcher in a television interview before leaving said her meetings with Mr Reagan had been particularly fortunate since they came at the time when the Washington Administration was formulating its policies.

Asked by the ABC Television interviewer, Barbara Walters, about criticism levelled against her by the American Treasury Secretary, Mr Donald Regan, over her failure to cut British taxes, Mrs Thatcher replied: "I think he's right. We would have loved to have cut more but that is not possible unless we can get public spending down."

The Prime Minister said that if she reversed her economic policy and began to reflate, Britain would become less competitive, and that this would lead to much higher unemployment in the long run.

### Schmidt's fears

Asked about concern expressed by the West German Chancellor, Herr Schmidt, that Mr Reagan's economic programme would deepen European recession, Mrs Thatcher said the President was proposing methods similar to those adopted by Herr Schmidt. She said Herr Schmidt could not deny to America the very policy which he had made so successful in Germany in bringing down interest rates.

Commenting on the "two in the morning courage" leaders needed to take major policy decisions, Mrs Thatcher said: "I feel Mr Reagan and myself are not going to sacrifice the future to so far popularity for the present. We are long-run leaders of government."